Procurement of rough diamonds

3847. SHRI PREM CHAND GUPTA : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether it is a fact that India is attempting to buy rough diamonds directly from the mining countries in an effort to improve its competitiveness; and

(b) if so, the details of Government's plans in this endeavour?

THE MINISTER OF STATE IN THE MINISTTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH) : (a) and (b)Yes, Sir. The Government are encouraging the Gem & Jewellery Export Promotion Council (GJEPC) in their efforts to procure rough diamond supplies directly from the diamond mining countries like Russia, Canada etc. A twelve member diamond and jewellery delegation sponsored by GJEPC visited Canada from 6th to 10th November, 2000, *inter alia*, with the objective to explore the possibilities of direct procurement of rough diamonds from Canada. Another delegation comprising representatives of Department of Commerce, MMTC and GJEPC visited Russia from 13th to 18th December, 2000. Another delegation of representatives of GJEPC visited Societe Minere de Bakwanga (MIBA) in the Democratic Republic of Congo, from 7th to 13th December, 2000 to explore the possibility of direct procurement of rough diamonds from them. As regards the direct supply of rough diamonds from Russia, a contract valued at US $ 4.46 million was signed during the visit of the Indian delegation. However, the sale of the rough diamonds from Russia has not yet materialised for want of necessary export licence with the concerned Russian agency to export rough diamonds directly to India. As regards supply from the Democratic Republic of Congo, though the Indian delegation gave its tender bids, they did not succeed in winning the tender on price considerations.

Study on FDI inflow

3848. SHRI R. P. GOENKA : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether it is a fact that at the initiative of the Prime Minister a global constituency firm has prepared a road map for stepping up Foreign Direct Investment and submitted its report entitled "Achieving a Quantum Leap in India's FDI" to the Minister of External Affairs on the 3rd August, 2001 as reported in the Times of India dated the 4th August, 2001;

(b) if so, the details of major recommendations made in the report and the

results of the preliminary review undertaken, if any, so far; and

(c) the outline of the strategies drawn up to achieve the desired quantum jump in FDI ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN) : (a) The American Chamber of Commerce in India in association with McKinsey & Company has brought out a report entitled "Achieving a Quantum Leap in India's FDI". The report was released in a function where External Affairs Minister was the Chief Guest.

(b) and (c) The major recommendations of the Report include fine tuning of sectoral policies, simplification of investment procedures, privatisation as a vehicle to attract FDI, removal of foreign ownership restrictions, improvement in infrastructure, and liberalisation of labour laws.

The Report makes the following specific suggestions :—

(i) Constitution of an Apex Committee under the Chairmanship of Commerce and Industry Minister to review sector-specific policies; expedite current projects and monitor implementation of the projects on quarterly basis.

(ii) Constitution of the Advisory Committee comprising CEOs of foreign companies to provide feed back for appropriate interventions.

(iii) Allocation of FDI targets to sectoral Ministries.

(iv) Activation of Indian Missions abroad in marketing India as an investment destination.

(v) Monitoring at the level of Prime Minister to review achievement of targets twice a year.

Government have already constituted a Group of Ministers on FDI for monitoring FDI policy and have also set up the Foreign Investment Implementation Authority to facilitate speedy implementation of FDI projects. Meetings are regularly held with foreign investors for obtaining policy and operational level feedback.